

## **COMMITTEE ON FINANCE**

**April 15, 2003**  
**Mayor and All Aldermen**

**Upon recess**  
**of BMA**  
**Aldermanic Chambers**  
**City Hall (3<sup>rd</sup> Floor)**

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil,  
Lopez, Shea, DeVries, Garrity, Smith, Thibault, and Forrest.

Bond Resolution:

“Authorizing Bonds or Notes in the Amount of Forty Four Million Dollars (\$44,000,000) to Pay Costs of Constructing, Originally Equipping and Furnishing a New Water Treatment Plant for Use by the Manchester Water Works, and for the Payment of all Other Incidental Costs Related Thereto.”

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to read by titles only and it was so done.

Alderman Pinard moved that the Bond Resolution ought to pass and lay over. Alderman Osborne duly seconded the motion. There being none opposed, the motion carried.

Resolutions:

“Making Certain Technical Adjustments in Certain Resolutions of the Board of Mayor and Aldermen Which Authorized the Issuance of Bonds or Notes to Finance Certain Improvements for the Manchester Water Works in the Aggregate Total of \$2,000,000.”

“Amending the 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000) for certain Manchester Water Works Improvement Projects.”

On motion of Alderman DeVries, duly seconded by Alderman Forrest, it was voted to read by titles only and it was so done.

On motion of Alderman Forrest, duly seconded by Alderman Smith, it was voted that the Resolutions ought to pass and be Enrolled.

Resolutions

“Amending the 2003 Community Improvement Program, authorizing and appropriating funds in the amount of Three Thousand One Hundred Forty Eight Dollars (\$3,148) for 2003 CIP 411603 NH Clique Seat Belt Campaign.”

“Amending the 2000 Community Improvement Program, authorizing and appropriating funds in the amount of Sixty Seven Thousand Six Hundred Sixty Three Dollars (\$67,663) for the 2000 CIP 410900 Gang Interdiction Program.”

“Amending the FY2003 Community Improvement Program, authorizing and appropriating funds in the amount of Two Million Three Hundred Thousand Dollars (\$2,300,000) for FY2003 CIP 511403 Derryfield Golf Course Club House Construction Project.”

On motion of Alderman O’Neil, duly seconded by Alderman Osborne, it was voted to read the Resolutions by titles only and it was so done.

Alderman Thibault moved that the resolutions ought to pass and be enrolled. Alderman Sysyn duly seconded the motion. The motion carried with Alderman DeVries duly recorded in opposition to the resolution related to the Derryfield Golf Course Club House Construction Project.

CIP Budget Authorizations:

410900	Gang Interdiction Programs
411603	NH Clique Seat Belt Campaign
511403	Derryfield Golf Course Club House Construction

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted that the budget authorizations be approved subject to final adoption of related resolutions. Alderman DeVries was duly recorded in opposition to authorization for project #511403.

**TABLED ITEM**

Bond Resolution:

“Authorizing Bonds, Notes or Lease Purchases up to the Aggregate Principal Amount of One Hundred Ten Million Dollars (\$110,000,000), Which May Be Issued As General Obligation Bonds, Notes or Lease Purchases, Municipal Revenue Bonds, Notes or Lease Purchases or Any Combination of the Foregoing as the Mayor and Finance Officer May Determine, to Finance Costs Associated with the Manchester Schools Improvement Program and for the Payment of all Other Costs Incidental and Related Thereto.”

On motion of Alderman Lopez, duly seconded by Alderman Sysyn, it was voted to remove this item from the table.

The Resolution was read by title only.

Mayor Baines stated what I am going to ask this evening is that, reminding you that we need a majority to move this forward, we are in the process of trying to answer some of the questions and concerns brought by the individual aldermen, we think we are well on the road to answering all of those questions, and I'll open up the discussion now and then I am going to call for a vote.

Alderman Wihby stated it just takes a simple majority today but it's going to take ten at the next meeting. In order to get my vote your honor, I would like to see a little more work done, I think that if finance can move the time table up a couple of years, have them start with the 2004 budget, you could save a million to a million and a half in interest alone. I think if you take the six or seven million dollars in contingency and maybe have that controlled under the aldermen so at least the aldermen are more comfortable. I think the price can go down a little if we work on it a little closer and try to get that number down. I'll support it today but hopefully they come back with some recommendations at the next meeting.

Alderman Guinta stated I would echo those sentiments I so far comfortable and confident that some of the meetings and discussions that I have had with some of the aldermen, the mayor and the finance department that this overall \$110,000,000 number can be reduced without changing the scope of the project and I think that there are some measures for cost savings and I would support it with the agreement that when the vote comes for bonding that this number will be tweaked and we'll continue to work with finance and make sure that we can get the best number for the taxpayers.

Mayor Baines stated I appreciate your comments and I also appreciate the spirit of cooperation that's been demonstrated by the aldermen in trying to help find a way to move this project forward.

Alderman Garrity stated I still have a concern about the surrounding districts' contribution and I still believe that Bedford's numbers are probably ten years' worth I don't think that will hold up in court. I have a concern with the surrounding districts. I'm in favor of renovations mine concern, it's a personal concern is as the only aldermen on the Board that has a child in the public school system it's a concern of mine and the mega-schools at the high school level. And that's a big concern of mine, I don't want my child to go into a mega-high school.

Alderman Gatsas asked for a clarification asking if there was a reason why in this resolution heading that it says that the combination of the foregoing as the Mayor and the Finance Officer may determine without any Board approval.

Mr. Clougherty responded that's the language that's drafted by Bond Counsel it has been the same language for every bond resolution since forever and I believe it relates to a particular state statute, the Municipal Finance Act.

Mayor Baines stated so even the bonds for the airport and everything else it's the same standard language.

Mr. Clougherty responded right, because the terms and conditions are something in terms of the interest rates that have to be done on the day of the sale and that's why it's delegated to us to be responsible for that.

Alderman Gatsas asked can you show me where that says that in any of the other bond resolutions that we have just approved.

Mr. Clougherty displayed a resolution and noted the reference to RSA 33 commonly referred to as the Municipal Finance Act, noting if they looked at the bottom of Section 2 it will be determined at the discretion of the finance officer and the approval of the mayor. The last sentence in Section 2 of the \$2 Million bond issue.

Alderman Gatsas again asked where.

Mr. Clougherty referred to the body of the resolution relating to the resolution making certain technical adjustments to the aggregate of the \$2 million bond issue.

Alderman Shea stated first of all I want to call to the attention to everyone here that the School Board last evening expects to save \$800,000 by keeping 21 students who would normally be sent to other cities and towns for schooling in Manchester at two classes that would be held at West High School. I am saying that because obviously there is in the design build the addition of twelve classrooms for West High School. And another statement is that Bedford was considering building an upper elementary grade for students in grades 5 and 6 and according to their records they anticipate the school would be built for 900 to 1000 students over time. Which will add quite significantly if Manchester continues to house the Bedford students. Let me begin by saying that every alderman here tonight is committed to going forward with a school improvement program. Every alderman. Every alderman. What is at issue however is the current proposal. Some aldermen do not favor, nor can they support this proposal for many and various reasons. It is flawed in many respects. First of all it is flawed because in the design build there is 3.1 million for a parking garage and second there is 6.6 million for a contingency fund when the contractor is responsible for overruns. That's a total of 9.7 million. More importantly, it does not adequately address educational issues. It does not address enrollment increases at the elementary schools especially in the southeaster part of Manchester. Enrollment is such that we have built a second middle school and then expanded it shortly thereafter. The Wilson School kindergarten is housed at Easter Seals. We have other programs housed at Easter Seals where we pay almost a quarter of a million dollars rent annually to a building we sold them for \$1 yet we are told we do not want to overbuild at the elementary level. The high school level we are told to overbuild to accept the same plan as if Bedford were here to stay. To build mega-high

schools to build 54 new classrooms and not to expect any sizable increases in teaching and other staff to accommodate some 8,000 to 9,000 students in the future when Manchester resident students are projected to be around 5,100 students. Finally, the bottom line is that the current proposal will do nothing to address the overcrowding at the high schools for at least two more years. This Board together with the School Board received a report from the Mayor's Committee on School Facilities over two years ago. And rather than tell Bedford it's over as was recommended, valuable time was spent. First on thinking about a fourth high school, then on a building, then on building a joint regional high school with Bedford, pulling all stops to keep the tuition students when we were told by a Bedford School member that it was highly unlikely that Bedford would approve a long term contract of 20 years. And had we told them then it's over, they would have moved to be building a new high school which would probably have been ready for next year. Instead, two years later we are faced with the same problems as then, only it's more critical if that's possible. And despite the many legitimate concerns expressed by various aldermen the proposal has not changed substantially if at all. Given the above aldermen cannot be faulted for not approving this proposal. The Manchester School Improvement Program however should proceed as soon as possible. The total package needs to be split into three components and returned for bonding. First, the elementary schools with additions. Second, the middle schools with additions. Third, high school facilities should not be expanded to accommodate tuition students, but rather to accommodate Manchester students. Bedford has already opted out and Hooksett, Candia, and Auburn are not looking realistically beyond ten years before building their own high school. The improvements should include the addition at Memorial together with expansion of the core facilities, that is the cafeteria and gym improvements at Central and West to include the expansion of the core facilities – cafeteria, media center, and gymnasium. These improvements together with as many of the dozen temporary suggestions offered by the Mayor's Committee on School Facilities could help to relieve the overcrowding. Now, from the March 2000 Joint Meeting Alderman Lopez: "I am looking at the recommendations here and out of all the recommendations I don't see why eleven of them couldn't have been implemented a long time ago with Central High School. I don't know who was responsible for that but to me they are all just common sense things. Maybe you ought to take a good look at that." Another exchange, Committee Member John Gatsas: "Mayor you are a former principal. Central High School is a great building. I don't see how with safety and making it a friendly atmosphere you could make it any bigger for an administrator to run that facility."... "Mayor Baines replied I agree." Your Honor as far as I'm concerned as an alderman here we have to look at a fall back plan in the event the bonding does not go through and these are suggestions I am offering at this time.

Alderman DeVries stated I'd just like to remind staff that there are couple of clauses that I'm looking for some language on. And it's probably Tim Clougherty with Public building Services that can get that for me. We've talked and I believe the contractor has indicated that there will be a local hire clause to guarantee that jobs are going locally and to Manchester. There is also suppose to be a no cost to the developers or contractors insurance clause and we are looking to see the language on that before we are asked to give our final vote.

Alderman Lopez stated before we get our final vote and move this thing forward I'd like to have Tom Clark brief us as a body as to the ramifications of the protests from the other contractor. Alderman Lopez noted that this could be done at the next step, at the next meeting, before they take the final vote.

Mayor Baines stated they would do that.

Alderman Lopez moved that the Resolution ought to pass and lay over. Alderman Pinard duly seconded the motion. The motion carried with Alderman Garrity and Alderman Shea duly recorded in opposition.

There being no further business to come before the Committee on Finance, on motion of Alderman Pinard, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee